Some Worries as San Francisco Goes Wireless

By LAURIE J. FLYNN

SAN FRANCISCO, April 9 — When Mayor Gavin Newsom announced 18 months ago that he intended to provide free wireless access to all of the city's 760,000 residents, Chris Vein said he felt sorry for the "poor guy" who would have to carry out the complex task. Today, nine months after taking the job as head of the city's technology department, Mr. Vein is the point person in negotiations over the details.

Last week, the city announced it had selected <u>Google</u> and <u>EarthLink</u> to build the wireless network, which it hopes will be in operation early next year. The two companies, along with Tropos Networks and <u>Motorola</u>, which will help build the infrastructure for the network, beat out five other bidding teams in a six-week review process.

The exact terms and business model are to be decided in negotiations that are expected to begin next month between the city and EarthLink, the lead company.

But in the few days since the winning bidder was announced, the city, along with Mr. Vein, has found itself at the center of debate about the role of advertising, the implications of the network on consumer privacy and the effect on telecommunications companies that today sell Internet access in the city.

The San Francisco service will be EarthLink's fourth municipal wireless network. The plan is to blanket the city's 49 square miles so that all residents can connect to the Internet from their homes and offices and even from their neighborhood park.

Mr. Vein said that, from the start, the project's mission had been to help bridge the so-called digital divide by providing wireless access to residents who could not get it otherwise. "This is really intended to help those people first, and everybody else second," said Mr. Vein, San Francisco's executive director of telecommunications and information services.

The other companies that submitted bids for the city contract were SF Metro Connect, a collaboration between <u>Cisco Systems</u>; <u>I.B.M.</u> and SeaKay Inc., a nonprofit group; Communications Bridge Global; MetroFi; NextWLAN; and Razortooth Communications.

Mr. Vein, who was not on the review committee, said the group led by EarthLink narrowly beat out MetroFi. Mr. Vein said that EarthLink's experience building a similar high-profile wireless network under construction in Philadelphia may have contributed to its winning the San Francisco contract.

Users of the network in San Francisco will be able to choose from two options. From Google, at no cost, they will be able to connect to the Internet at the modest speed of 300 kilobits a second, about six times as fast as a dial-up connection but slower than cable service. The trade-off is that they will see a variety of on-screen advertising, though exactly what that will look like is part of the negotiations.

Or, for an estimated \$20 a month, subscribers will be able to connect through EarthLink at roughly four times that speed and see no advertising at all.

Mr. Vein said he thought the typical San Francisco resident, and the additional 400,000 who commute into the city every weekday, would take advantage of the free service, but that the city's many small businesses would likely pay for the faster service.

San Francisco already has more wireless hot spots than most other American cities — about 800 of them, nearly 400 of them free, according a recent report by JBoss, a research company — but the new network would extend throughout the entire city.

For Google, the San Francisco network is indicative of the company's move to expand well beyond search, into areas like local advertising and real estate listings.

But even before the city announced the winning bidder, privacy advocates had begun to criticize the Google approach for what they say is its potential to violate consumer privacy. Early last week, the Electronic Frontier Foundation and the Electronic Privacy Information Council released a joint report calling the EarthLink and Google proposal "privacy-invasive," because it would involve "cookies" that track users from session to session to enable customized delivery of ads.

Mr. Vein said the criticism was premature given that the city and the companies had not yet negotiated the details of the network.

"While we have picked somebody, we haven't necessarily agreed to the details of the proposal," Mr. Vein said. "It is just a starting point."

Mr. Vein said the city would make decisions related to privacy as the issues came up during negotiations. "I will be pushing to maintain the privacy and security of citizens as best I can as I put this deal together," he said.

Megan Quinn, a Google spokeswoman, said the company intended to work closely with the city and EarthLink to allay any concerns. "Always our users' privacy and security are of utmost importance to us," she said. "This is a planning process."

At the formal announcement of the project last October, Mr. Newsom told reporters he feared that telecommunication companies serving San Francisco would try to block the building of the network. At the time, <u>SBC Communications</u> (now <u>AT&T</u>), <u>Comcast</u> and other companies in California argued that low-cost access to the Internet was already widely available to the public in San Francisco.

In addition to Philadelphia, EarthLink is building wireless citywide networks in Anaheim and Milpitas, Calif., all priced at \$20 a month. Dozens of other cities

have various wireless networks under development or in the planning stages, including Chicago, Boston and Austin, Tex.

MetroFi already offers citywide wireless access in several midsize Silicon Valley cities including Cupertino, Sunnyvale and Santa Clara.

Esme Vos, who writes about municipal wireless projects at <u>muniwireless.com</u>, estimates that cities, towns and counties in the United States will spend nearly \$700 million over the next three years to build citywide wireless networks.

William Tolpegin, vice president for development and planning at EarthLink in Atlanta, said the EarthLink-led consortium expected to spend \$8 million to \$10 million to build the network in San Francisco.